

28. (Unamended) A method for inhibiting an interaction of a B lymphocyte antigen, B7-2, with its natural ligand on the surface of an immune cell, comprising contacting the immune cell with an agent which inhibits B7-2 binding with its natural ligand to thereby inhibit interaction of B7-2 with its natural ligand on the immune cell.

65. (Unamended) The method of claim 28, wherein the agent is a soluble form of B7-2.

66. (Unamended) The method of claim 28, wherein the agent is an antibody that recognizes B7-2.

67. (Amended) The method of claim 28, further comprising contacting the immune cell with an agent that blocks the interaction of B7-1 with its natural ligand.

68. (Amended) The method of claim 28, further comprising contacting the immune cell with an immunomodulating agent selected from the group consisting of: an antibody reactive with CD28, an antibody reactive with CTLA4, an antibody reactive with a cytokine, a CTLA4Ig fusion protein, a CD28Ig fusion protein, and an immunosuppressive drug.

69. (Unamended) An isolated B7-2 fusion protein.

Please add the following new claims:

*Sub E2* → --70. (NEW) The method of claim 28, wherein the step of contacting is performed in vitro.

71. (NEW) The method of claim 28, wherein the step of contacting is performed in vivo.--